

Minister's statement

June 29, 2013

Health Minister releases statement on pay-at-risk review

Health Minister Fred Horne issued the following statement today:

"I have received the advice that I requested from the Official Administrator of Alberta Health Services regarding the former board's decision to award pay-at-risk for 2012-13. Following her review, Janet Davidson has advised that while AHS has a legal obligation to provide the pay-at-risk as part of employment agreements, eligible employees also have the right to refuse to accept these payments on a voluntary basis. The former board denied employees this option despite reports that several offered to forego pay-at-risk.

"That said, I accept the Official Administrator's advice to authorize the CEO to award pay-at-risk for eligible staff for 2012-13, based on the potential legal consequences for refusing to do so. While we stand with Albertans in their opposition to the pay-at-risk model, we also recognize the litigation and liability costs of not making these payments would be an additional burden to taxpayers.

"During the course of her review, Ms. Davidson discovered that four employees who left during the 2012-13 fiscal year received pay-at-risk. This, and the fact that as its final act the former board passed a motion at its final meeting authorizing pay-at-risk and closing the financial statements, further complicated the situation.

"I have accepted the Official Administrator's advice that pay-at-risk payments for 2012-13 be offered on a voluntary basis, and that staff be formally notified they can decline if they so choose. I understand that some employees had previously indicated that they would like to refuse their pay-at-risk – we're going to give them that opportunity. And, in future, AHS compensation will not include pay-at-risk. As such, current employment contracts containing pay-at-risk will be amended to remove these clauses."

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